



HOW TO - Use Xero Accounting Platform

Chart of Accounts

The Football Fun Factory's accountant Chris Eggar will set up your Xero platform and create a Chart of Accounts, which is consistent for all Football Fun Factory franchises. The Chart of Accounts is the list of areas within your business, against which money is spent or received. For example, 'Income Weekly Training' or 'Venue Costs – Weekly Training'.

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Chart of accounts

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No accounts selected

<input type="checkbox"/>	Code ▲	Name	Type	Tax Rate
<input type="checkbox"/>		Stripe GBP	Bank	No VAT
<input type="checkbox"/>	200	Income - School Holidays	Revenue	No VAT
<input type="checkbox"/>	205	Income - Weekly Training	Revenue	No VAT
<input type="checkbox"/>	215	Income - Birthday Parties	Revenue	No VAT

You will record each of the transactions within your Stripe Account and Bank Account(s) against one of these headers. Each one has a code. For example '200 – Income - School Holidays'.

Dashboard

You can access your Stripe Account and Bank Account transactions via the Dashboard (shown below).

The screenshot shows the Xero dashboard for 'Football Fun Factory Limited'. The top navigation bar includes 'Dashboard', 'Accounting', and 'Contacts'. The main content area is divided into two columns. The left column contains two reconciliation cards: 'Stripe GBP' with a 'Reconcile 164 Items' button and 'Bank Current Account' with a 'Reconcile 92 Items' button. The right column contains an 'Account watchlist' table.

Account	This month	YTD
Directors' Loan Account (835)	0.00	17,346.07
Loan - FFF Franchising Ltd (900)	0.00	2,867.70

Reconciling Your Transactions

Click on 'Reconcile X-number items'. Your Stripe Account should always be reconciled before your Bank Account.

Each Stripe transaction will be listed down the left-hand side of your screen. To be able to reconcile an item you will need to enter the relevant information in the white boxes on the right-hand side.

The screenshot shows a transaction card on the left and a matching form on the right. The transaction card displays the date '23 Feb 2020', the name 'Sian Bettoney / sianbettoney@gmail.com', and the amount '61.00'. The matching form has fields for 'Who' (filled with 'Sian Bettoney'), 'What' (filled with 'Income - Weekly Training'), and 'Why' (filled with 'Course fees'). An 'OK' button is visible between the two components.

Once the information has been entered an 'OK' box will appear. This is how you reconcile each item. To make the 'OK' box appear, you will need to enter the following information:

Who – Enter the name of the person who paid you money or the person or organisation you have sent money to.

What – Enter the relevant revenue or expenditure account for your transaction. You can do this by familiarising yourself with these in the Chart of Accounts. Once you have become familiar with them you can start typing the one you need. It will then pop up with the account that you need. For example, for a Football Fun Camp you

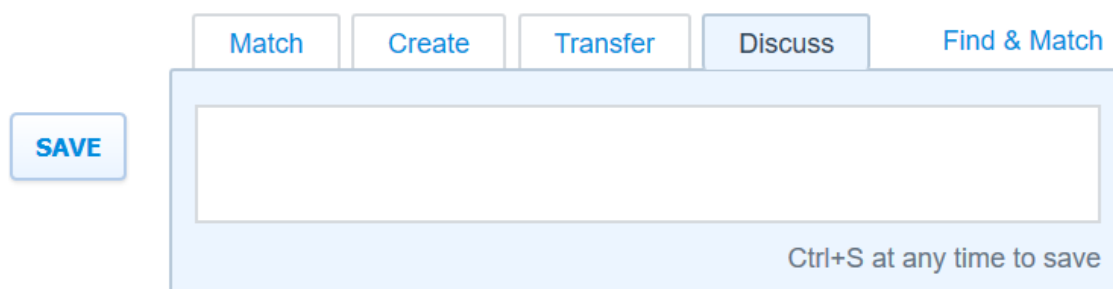
can type 'S-c-h-o-o-l' which will bring up 'Income – School holidays'. You can then click on this account to fill in the 'What' box.

Why – Enter something simple in your own words to track what the income of expenditure relates to. For example, 'course fees' for most income. You may enter 'Party Deposit' for a £50 deposit. These comments will be linked to each reconciliation in case the accountant needs to.

Once you have entered all of the relevant information you can click 'OK'

What if I get something wrong?

Don't worry. All of the actions you take are reversible. If you are not sure about a transaction you can also click on 'Discuss' and type in your query.



Following this you can email the accountant to notify him that you have some transactions with notes attached to them for discussion. He will check the transactions and reply with guidance on how to reconcile the transaction.

Creating Rules

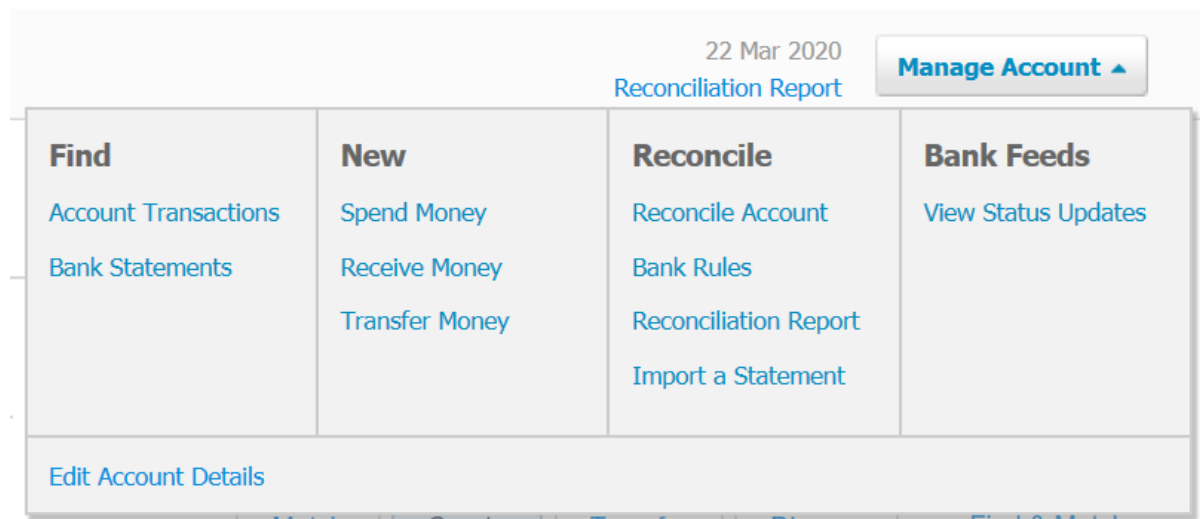
The fantastic thing about Xero Accounting Software is that it can be as simple as quickly checking your transactions and clicking 'OK'. The 'OK' button comes up once all of the necessary information is entered. Rules can be created to make this happen automatically. These rules can be based on:

- The name of the Payee
- The amount received / spent

How to Create a Rule

Click on 'Manage Account' at the top right-hand corner of your screen.

Under 'Reconcile' click 'Bank Rules'.



This will bring up a list of rules that have already been set.

Our accountant will have set up some rules already for example, recognising payments to yourself as monthly wages.

Here you can create rules to make your accounting much easier. Your aim should be to create rules for as many transactions as possible so that you can simply check your transactions and click 'OK' to bring your accounting up to date. Please see below some examples of rules that can be set up:

- Money sent to a venue can be recognised as 'Venue Costs – Weekly Training'
- Common amounts received can be recognised for different accounts. For example - £36 income, can be recognised as a term of weekly training and therefore accounted for under 'Income – Weekly Training'.

Things to consider before creating rules

Example: You have a coach that delivers within your weekly training programmes.

Is the transaction likely to reoccur many times?

If the individual coaches every week with you then it is worth creating a rule as it will save you time on each transaction (each time that you pay them). However, if they are a cover coach doing a one-off session or they fill in every once in a while then it is not worth setting up a rule.

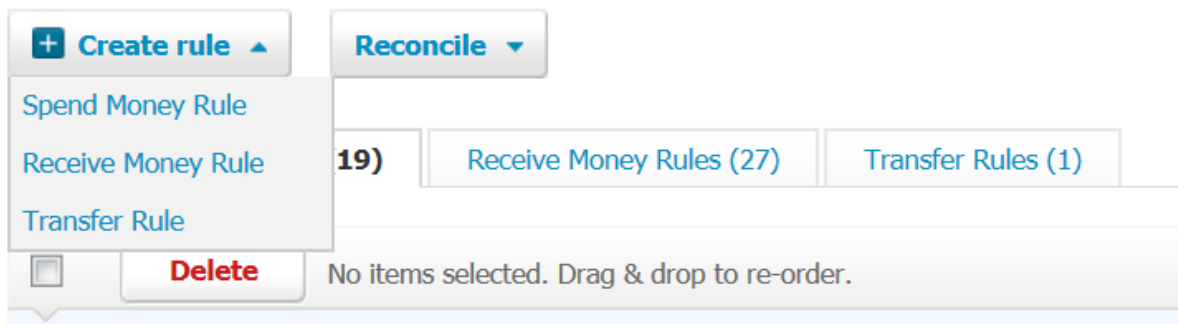
Will the account always be the same?

If a coach delivers on your weekly sessions but also coaches within your Football Fun Camps, the money that you send to them will go under different accounts. Their weekly training delivery should be accounted for under 'Subcontract Assistance – Weekly Training'. Whereas their coaching in the school holidays should be accounted for under 'Subcontract Assistance – School Holidays'.

You therefore have two choices in this scenario.

1. Don't create a rule for transactions relating to this person
2. Create a rule relating to one of the expenditure accounts and ensure the account is changed if the payment relates to a different account. For clarity, you could create a rule that accounts for payments sent to 'Joe Bloggs' against 'Subcontract Assistance – Weekly Training' but for amounts relating to School Holidays change the account manually.

Step-by-step process to create a rule



Click on 'Create Rule' and select either:

'Spend Money Rules' – For example, paying for venue hire

'Receive Money Rules' – For example, £36 for a term of 6 weeks training

EXAMPLE 1 - Payments to One Leisure for venue hire.



1. You can change the rules to recognise Payee, description or amount. We have selected that the Payee contains HUNTS DC, which is the account that our invoices to One Leisure are sent to.

2. Set the contact...

The contact will be

2. The contact is the name of the person or organisation that you are sending money to or receiving money from. In this case it is 'One Leisure'.

3. Automatically allocate fixed value line items...

No fixed value line items

3. No action is required for item 3.

4. With the remainder, allocate items in the following ratios...

Description	Account	Tax Rate	Percent...	
Venue hire	305 - Venue Costs - School Holidays	No VAT	100.00%	<input type="button" value="x"/>
			TOTAL	100.00%

4. Enter a description of what the transaction is for. In this case 'venue hire'. Type 'Venue' as the account which will bring up the 'Venue Costs – School Holidays' account

5. Set the reference...

The reference will be set

5. Set this box as 'by me during bank rec'

6. Target a bank account...

Run this rule on

6. Select which account the rule applies to. Either your Bank Account or Current Account. Or if it applies to both select 'all bank accounts'.

7. Give the rule a title...

7. Give your title a rule. For example, the name of the venue.

Click save to complete the rule.

EXAMPLE 2 – Payments of £36 received for weekly training

1. When money received on the bank statement matches All of the following conditions...

Payee	is blank		
Amount	equals	36.00	

[Add a condition](#)

1. Set Payee to 'is Blank'

Set the first box as 'Amount', the second box as 'equals' and then enter the amount that you are setting the rule for. In this case £36.

2. Set the contact...

The contact will be an existing or new contact

2. Set the box to 'an existing or new contact' and type 'unknown'.

When reconciling, you can then enter the name of the parent if it is shown on the transaction.

3. Automatically allocate fixed value line items...

No fixed value line items

[Add a new line](#)

3. No action required for item 3

4. With the remainder, allocate items in the following ratios...

Description	Account	Tax Rate	Percent...	
Course fees	205 - Income - Weekly Training	No VAT	100.00%	<input type="text"/>
			TOTAL	100.00%

[Add a new line](#)

4. Enter the 'course fees' or similar as the description.

Type in 'Weekly' and 'Income – Weekly Training' will come up to select as the account

No action is required for the Tax Rate and Percent boxes.

5. Set the reference...

The reference will be set by me during bank rec

5. Set this box as 'by me during bank rec'

6. Target a bank account...

Run this rule on

6. Select which account the rule applies to. Either your Bank Account or Current Account. Or if it applies to both select 'all bank accounts'.

7. Give the rule a title...

Delete

Save

Cancel

7. Give your title a rule. For example, the amount and what the transaction relates to. In this case '£36 weekly training fees'.

Checking your transactions

You can decide which rules to set as you are reconciling your transactions. Once rules are set it is then simply a case of going through each transaction, checking the information is correct and clicking 'OK'.

How to Reconcile a Refund

Reconciling a refund is very simple and you follow the same procedure as when you reconcile normal transactions when money is received. The only different is that the money is spent rather than received. This will be entered automatically by Xero.

Please see the example below which relates to a £6 refund for a cancelled weekly training session.

The screenshot shows a transaction list on the left and a matching dialog box on the right. The transaction list has columns for 'Spent' and 'Received'. A transaction is listed for '24 Feb 2020' with a value of '6.00' in the 'Spent' column. The description is 'SARAH HILL FFF REFUND'. An 'Options' dropdown is visible next to the transaction. The matching dialog box has buttons for 'Match', 'Create', 'Transfer', 'Discuss', and 'Find & Match'. The 'Who' field is filled with 'Sarah Hill', the 'What' field is '205 - Income - Weekly Tr', and the 'Why' field is 'Refund'. There is also a 'No VAT' dropdown and an 'Add details' link.

Follow these steps to reconcile your refund:

- 1. WHO** - Type in the name of the parent or 'Unknown' if you are not sure.
- 2. WHAT** - Select the account that the refund relates to. You can do this in the usual way of typing 'weekly' and the 'Income - Weekly Training' account will appear for you to click on
- 3. WHY** - Type 'refund' in the box

What to do if you are unsure of anything

Firstly, give it a try. Nothing you do is permanent and if you have done something that you think needs checking then just make a note of it and as out accountant.

If you get really stuck at any point please contact your Franchise Manager, who should be able to help you. Failing this you can ask our accountant. But please check internally first to ensure that he is not overloaded by questions about Xero Accounting Software.

Like anything, once you know how to use the Xero Accounting Software you'll find it easy.

When to get your accounting up to date

It is recommended to keep on top of your accounting on a weekly basis. 30 minutes per week should be plenty to keep on top of all of your transactions. If you go several weeks without reconciling your transactions it can then become quite a daunting task. So the guidance is to get it up to date weekly.